

Exhibit 1

ROYSTON RAYZOR

EST. 1892

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January 18, 2013

CMRRR 91 7108 2133 3937 1360 6595

Shippers Stevedoring Company
11811 East Freeway, Suite 660
Houston, Texas 77029-1992



ATTN:Mr. Nick M. Stratigakis

Re: In the Matter of the Arbitration Act 1996 and in the Matter of an Arbitration Between: Western Bulk Carriers (Claimant/Disponent Owners) and 1) Arcelor Mittal Tubular Products Roman S.A. 2) Arcelor Mittal Tubular Products Iasi (Respondent/Charterers)
Our File: 56199

Dear Mr. Stratigakis:

We are attorneys for Arcelor Mittal Tubular Products Roman and Arcelor Mittal Tubular Products Iasi (hereafter "AM Roman" and "AM Iasi" respectively). Western Bulk Carriers has commenced arbitration in London against our clients in connection with the January 22, 2009 incident onboard M/V DANOS which resulted in damage to one of that vessel's cranes. A Shippers Stevedoring Company crane operator was operating the damaged crane on that date. Western Bulk Carriers' arbitration claim seeks to recover at least \$2,294,092.81 plus attorney's fees and expenses, exclusive of interest, for losses arising out of physical damage to the M/V DANOS Z crane. The basis of Western Bulk Carriers' claim against AM Roman and AM Iasi is a charter party contract between the Western Bulk Carriers, as Owners, and AM Roman and AM Iasi for the use of the M/V DANOS Z.

Shippers Stevedoring Company was the stevedore hired to discharge cargo from the M/V DANOS Z in Houston, Texas in January 2009. AM Roman and AM Iasi contend that the vessel crane damage alleged by Western Bulk Carriers was caused by Shippers Stevedoring Company fault. What is certain is that neither AM Roman nor AM Iasi was at fault in any way in bringing about the crane damage alleged by Western Bulk Carriers.

Please be advised that, if there is a finding of liability against either AM Roman or AM Iasi in favor of Western Bulk Carriers in the pending London arbitration, AM Roman and AM Iasi will seek indemnification from Shippers Stevedoring Company.

Shipper Stevedoring Company
ATTN: Mr. Nick Stratigakis
January 18, 2013
Page 2

Please be further advised that this letter constitutes a formal tender of the right to defend the above-referenced arbitration and that, if Shippers Stevedoring Company refuses to defend, Shippers Stevedoring Company will be bound by the arbitration outcome in any subsequent litigation between AM Roman and AM Iasi and Shippers Stevedoring Company, including factual determinations in the arbitration necessary to the arbitrators' decision. *See Universal American Barge Corp. v. J-Chem, Inc.*, 946 F.2d 1131, 1136, N.2 (5th Cir. 1991) (*citing Humble Oil & Refining Co. v. Philadelphia Ship Maintenance Co.*, 444 F.2d 727, 735 (3rd Cir. 1971)).

Western Bulk Carriers has, through its solicitor, recently presented a settlement demand in the amount of USD \$2,127,200.72, (excluding costs) in full and final settlement of the issues in the arbitration. This conditional settlement offer is open for acceptance through January 28, 2013. AM Roman and AM Iasi tender this settlement demand to Shippers Stevedoring Company and request that Shippers Stevedoring Company pay USD \$2,127,200.72 in full and final settlement of the claims AM Roman and AM Iasi have against Shippers Stevedoring Company.

We look forward to hearing from you.

Very truly yours,

ROYSTON, RAYZOR, VICKERY & WILLIAMS, L.L.P.

By: 

David R. Walker
Richard A. Branca

DRW/RAB:reg
(w/enclosure)
56199:10175977

Copy:

Via CMRRR 91 7108 2133 3937 1360 6601

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To : Hill Dickinson **Email** : fred.konynenburg@hilldickinson.com
Attn : Fred Konynenburg **Your Ref** :

From : Michael Smith **Date** : 7 January 2013
Our Ref : MJS/11827/AW **Pages** : (including this page)

Re : **MV DANOS Z – ARBITRATION UNDER CHARTER PARTY DATED 11 DECEMBER 2008**

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WITHOUT PREJUDICE SAVE AS TO COSTS

Dear Sirs

We refer to the arbitration reference between our respective clients.

Now that the pleadings have been served, and pending your confirmation that no Rejoinder Submissions will be necessary, we believe it is appropriate to enter into a useful dialogue on settlement before costs escalate.

Our client maintains that it will succeed in the arbitration; this is a clear case of stevedore damage. The defences pleaded are speculative and unsupported by evidence. Your client will have an uphill battle in convincing the Tribunal that it is not liable for the damage to the vessel's crane that clearly occurred while the crane was improperly operated by a stevedore.

Having said that, it is in the interest of all parties to try to resolve the dispute in a speedy and amicable manner, before the costs further escalate. Therefore, we are instructed to put forward an offer on the following terms:

Partners: J. H. Boaden - E. A. Davey - J. P. W. Green - N. I. Hopper - N. Jeanes - G. B. Mills - P. M. Sim - M. J. Smith - D. J. Sunter - C. F. Tookey - S. D. Williams* -

Mills Newcastle Limited

Consultant: S. E. Ravenscroft

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All partners are solicitors unless otherwise indicated. *Barrister.

January 7, 2013

- 1 Your client to pay to our client US\$2,127,200.72 (the "Settlement Sum") in respect of principal and interest but excluding costs (which are to be assessed if not agreed), in full and final settlement of the issues in this arbitration;
- 2 This conditional offer is open for acceptance for 21 days from the date of this letter;
- 3 Payment of the Settlement Sum to be made within 14 days of acceptance in writing of this offer with the amount of costs to be further negotiated or assessed if necessary.

If your client does not accept this settlement offer and our client makes a better recovery in the arbitration, we will bring this letter to the attention of the Tribunal on the issue of costs and seek indemnity costs and/or enhanced rates of interest.

We look forward to hearing from you.

Regards

MILLS & CO

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